



BILLING CODE: 3510-DSP

DEPARTMENT OF COMMERCE

International Trade Administration

[C-475-819]

Certain Pasta from Italy: Preliminary Results of the 15<sup>th</sup> (2010) Countervailing Duty Administrative Review and Rescission, In Part

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (“Department”) is conducting an administrative review of the countervailing duty order on certain pasta from Italy for the period January 1, 2010, through December 31, 2010. We preliminarily determine that Molino e Pastificio Tomasello S.p.A. (“Tomasello”) received countervailable subsidies during the period of review (“POR”). Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Joseph Shuler or Christopher Siepmann, AD/CVD Operations, Office 1, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1293 and (202) 482-7958, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 24, 1996, the Department published a countervailing duty order on certain pasta (“pasta” or “subject merchandise”) from Italy. *See Notice of Countervailing Duty Order and Amended Final Affirmative Countervailing Duty Determination: Certain Pasta From Italy*, 61 FR 38544 (July 24, 1996). On July 1, 2011, the Department published a notice of “Opportunity

to Request Administrative Review” of this countervailing duty order for the POR corresponding to calendar year 2010. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 76 FR 38609, 38610 (July 1, 2011). On July 29, 2011, we received requests for administrative review from producers and exporters of subject merchandise, Industria Alimentare Filiberto Bianconi 1947 S.p.A. (“Bianconi”) and Tomasello. In accordance with 19 CFR 351.221(c)(1)(i), we published a notice of initiation of this review on August 26, 2011. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 76 FR 53404, 53407 (August 26, 2011).

On September 20, 2011, we issued countervailing duty questionnaires to the Commission of the European Union (“EU”), the Government of Italy (“GOI”), Tomasello, and Bianconi. On October 20, 2011, Bianconi withdrew its request for administrative review. We received responses to our questionnaires in October 2011. We issued supplemental questionnaires to the GOI in February and April 2012, and we received corresponding responses in February and May 2012. We issued supplemental questionnaires to Tomasello in February and June 2012 and received corresponding responses in March and July 2012.

On March 16, 2012, we extended the time limit for the preliminary results of this review. *See Certain Pasta from Italy: Extension of Time Limit for the Preliminary Results of the Countervailing Duty Administrative Review*, 77 FR 15718 (March 16, 2012).

#### Period of Review

The POR for which we are measuring subsidies is January 1, 2010, through December 31, 2010.

### Scope of the Order

Imports covered by the order are shipments of certain non-egg dry pasta in packages of five pounds four ounces or less, whether or not enriched or fortified or containing milk or other optional ingredients such as chopped vegetables, vegetable purees, milk, gluten, diastasis, vitamins, coloring and flavorings, and up to two percent egg white. The pasta covered by the scope of the order is typically sold in the retail market, in fiberboard or cardboard cartons, or polyethylene or polypropylene bags of varying dimensions.

Excluded from the scope of the order are refrigerated, frozen, or canned pastas, as well as all forms of egg pasta, with the exception of non-egg dry pasta containing up to two percent egg white. Also excluded are imports of organic pasta from Italy that are accompanied by the appropriate certificate issued by the Istituto Mediterraneo Di Certificazione, Bioagricoop S.r.l., QC&I International Services, Ecocert Italila, Consorzio per il Controllo dei Prodotti Biologici, Associazione Italiana per l'Agricoltura Biologica, or Codex S.r.l. In addition, based on publicly available information, the Department has determined that, as of August 4, 2004, imports of organic pasta from Italy that are accompanied by the appropriate certificate issued by Bioagricert S.r.l. are also excluded from the order. *See* Memorandum from Eric B. Greynolds to Melissa G. Skinner, dated August 4, 2004, which is on file in the Department's Central Records Unit ("CRU"), room 7046 of the main Commerce building. In addition, based on publicly available information, the Department has determined that, as of March 13, 2003, imports of organic pasta from Italy that are accompanied by the appropriate certificate issued by Istituto per la Certificazione Etica e Ambientale are also excluded from the order. *See* Memorandum from Audrey Twyman to Susan Kuhbach, dated February 28, 2006, entitled "Recognition of Istituto

per la Certificazione Etica e Ambientale (ICEA) as a Public Authority for Certifying Organic Pasta from Italy,” which is on file in the Department’s CRU. Pursuant to the Department’s May 12, 2011 changed circumstances review, effective January 1, 2009, gluten-free pasta is also excluded from the scope of the CVD order. *See Certain Pasta From Italy: Final Results of Countervailing Duty Changed Circumstances Review and Revocation, In Part*, 76 FR 27634 (May 12, 2011).

The merchandise subject to review is currently classifiable under items 1901.90.90.95 and 1902.19.20 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to the order is dispositive.

#### Partial Rescission of the Administrative Review

Pursuant to 19 CFR 351.213(d)(1), the Secretary will rescind an administrative review, in whole or in part, if a party that requested the review withdraws the request within 90 days of the date of publication of the initiation notice of the requested review. On October 20, 2011, Bianconi timely withdrew its request for review. Because no other parties requested a review of Bianconi’s exports to the United States, the Department hereby rescinds the administrative review of certain pasta with respect to Bianconi in accordance with 19 CFR 351.213(d)(1). The Department intends to issue assessment instructions to U.S. Customs and Border Protection (“CBP”) 15 days after publication of this notice for any entries from Bianconi during the POR. The Department will instruct CBP to assess countervailing duties at rates equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i).

### Use of Facts Otherwise Available and Adverse Inferences

Sections 776(a)(1) and (2) of the Tariff Act of 1930, as amended (“the Act”), provide that the Department shall apply “facts otherwise available” if necessary information is not on the record or an interested party or any other person: (A) withholds information that has been requested; (B) fails to provide information within the deadlines established, or in the form and manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act; (C) significantly impedes a proceeding; or (D) provides information that cannot be verified as provided by section 782(i) of the Act. Section 776(b) of the Act further provides that the Department may use an adverse inference in applying the facts otherwise available when a party has failed to cooperate by not acting to the best of its ability to comply with a request for information. The Department’s practice when selecting an adverse rate from among the possible sources of information is to ensure that the result is sufficiently adverse “as to effectuate the statutory purposes of the adverse facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner.” *See Notice of Final Determination of Sales at Less than Fair Value: Static Random Access Memory Semiconductors From Taiwan*, 63 FR 8909, 8932 (February 23, 1998). The Department’s practice also ensures “that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.” *See Statement of Administrative Action accompanying the Uruguay Round Agreements Act*, H.R. Doc. No. 103–316, vol. 1, at 870 (1994) (“SAA”).

#### *GOI – Measure 3.14 of the POR Sicilia 2000/2006*

The Department found that Tomasello received countervailable subsidies under Measure 3.14 of the POR Sicilia 2000/2006 in the preceding administrative review, relying on adverse

facts available due to the GOI's failure to provide certain information about the specificity of this program's benefits. *See Certain Pasta From Italy: Final Results of the 2009 Countervailing Duty Administrative Review*, 77 FR 7129, 7130 (February 10, 2012) ("*Pasta 14 Final Results*") and accompanying Issues and Decision Memorandum ("IDM") at 13. For the preliminary results in the instant administrative review, we provided the GOI opportunities to provide necessary information concerning the specificity of this program's benefits.

The GOI reported that Article 38 of Regional Law 32/2000 grants aid to small- and medium-sized enterprises in industry, craft and services sectors located in Sicily for projects of industrial research in the field covered by Measure 3.14 of the POR Sicilia 2000/2006. *See* GOI's February 29, 2012, supplemental questionnaire response. However, the GOI failed to identify the industries or enterprises that received benefits under this program and the corresponding amounts given to them ("usage data"). Because the GOI's response did not provide us with required information to determine specificity for this program, we requested this information a second time. The GOI filed a timely response, but again did not provide the requested information concerning usage data. *See* GOI's May 17, 2012, supplemental questionnaire response.

The statute identifies specificity as one of three necessary elements of a countervailable subsidy. *See* sections 771(5)(A) and 771(5A) of the Act. We normally rely on information from the government to determine whether a program is specific. *See, e.g., Certain Magnesia Carbon Bricks From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 75 FR 45472 (August 2, 2010) and accompanying IDM at Comment 6. Although it was given multiple opportunities, the GOI's responses left us without the necessary

information to determine whether Measure 3.14 of the POR Sicilia 2000/2006 is countervailable.

We preliminarily determine that the GOI has withheld necessary information that was requested of it for this program. Because the record is incomplete for this program, the Department must rely on “facts available.” *See* sections 776(a)(1), 776(a)(2)(A) and 776(a)(2)(B) of the Act. Moreover, the GOI has failed to cooperate by not acting to the best of its ability to comply with our request for information, so we are applying an adverse inference in our use of facts available. *See* section 776(b) of the Act. Due to the GOI’s failure to provide information necessary for our determination about this program, we are drawing an adverse inference and determine that benefits under Measure 3.14 of the POR Sicilia 2000/2006 are specific. *See* section 771(5A) of the Act. An analysis of this program is found in the “Analysis of Programs” section below.

Section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Secondary information is defined as “information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 of the Act concerning the subject merchandise.” SAA at 870.

The facts available decisions described above do not rely on secondary information. Our determination regarding the specificity of this program is based on the unwillingness of the GOI to provide necessary information pertaining to the access to, or the distribution of, the subsidies.

The corroboration requirement of section 776(c) of the Act is, therefore, not applicable to the use of facts available in this review.

### Subsidies Valuation Information

#### *Allocation Period*

Pursuant to 19 CFR 351.524(b), benefits from non-recurring subsidies are allocated over a period corresponding to the average useful life (“AUL”) of the renewable physical assets used to produce the subject merchandise. The Department’s regulations create a rebuttable presumption that the AUL will be taken from the U.S. Internal Revenue Service’s Class Life Asset Depreciation Range System (“IRS Tables”). *See* 19 CFR 351.524(d)(2). For pasta, the most recent IRS Tables prescribe an AUL of 12 years. Neither the responding company nor other interested parties objected to this allocation period. Therefore, we have used a 12-year allocation period.

#### *Attribution of Subsidies*

Pursuant to 19 CFR 351.525(b)(6), the Department will attribute subsidies received by companies with cross-ownership to the combined sales of those companies. Tomasello reported that all of its shareholders are members of the Tomasello family, either directly or by marriage. *See* Tomasello’s October 27, 2011, questionnaire response at 4. Tomasello reports that it has no holding companies or any other affiliated companies. *See id.* at 2. Therefore, we are attributing Tomasello’s subsidies to the sales of Tomasello only.

### Benchmarks for Long-Term Loans and Discount Rates

#### *Loan Benchmarks*



Pursuant to 19 CFR 351.505(a), the Department will use the actual cost of comparable borrowing by a company as a loan benchmark, when available. According to 19 CFR 351.505(a)(2), a comparable commercial loan is defined as one that, when compared to the government-provided loan in question, has similarities in the structure of the loan (*e.g.*, fixed interest rate v. variable interest rate), the maturity of the loan (*e.g.*, short-term v. long-term), and the currency in which the loan is denominated.

Because no comparable commercial loans were taken out by Tomasello in the years in which the GOI agreed to provide the subsidies, we used a national average interest rate for comparable commercial loans, pursuant to 19 CFR 351.505(a)(3)(ii). *See Certain Pasta From Italy: Preliminary Results of the 14<sup>th</sup> (2009) Countervailing Duty Administrative Review*, 76 FR 48130, 48133 (August 8, 2011) (“*Pasta Prelim 14*”), unchanged in *Certain Pasta From Italy: Final Results of the Countervailing Duty Administrative Review*, 77 FR 7129 (February 10, 2012). Consistent with past practice in this proceeding, for years prior to 1995, we used the Bank of Italy reference rate adjusted upward to reflect the mark-up an Italian commercial bank would charge a corporate customer. *See, e.g., Certain Pasta From Italy: Preliminary Results and Partial Rescission of the Eighth Countervailing Duty Administrative Review*, 70 FR 17971 (April 8, 2005), unchanged in *Certain Pasta from Italy: Final Results of the Eighth Countervailing Duty Administrative Review*, 70 FR 37084 (June 28, 2005). For benefits received in 1995-2004, we used the Italian Bankers’ Association (“ABI”) prime interest rate (as reported by the Bank of Italy), increased by the average spread charged by banks on loans to commercial customers plus an amount for bank charges. *See Certain Pasta from Italy: Preliminary Results of the 12th (2007) Countervailing Duty Administrative Review*, 74 FR 25489, 25491 (May 28,

2009) (“12th (2007) Administrative Review Preliminary Results”), unchanged in *Certain Pasta from Italy: Final Results of the 12th (2007) Countervailing Duty Administrative Review*, 74 FR 47204 (September 15, 2009). The Bank of Italy ceased reporting this rate in 2004. *See 12th (2007) Administrative Review Preliminary Results*, 74 FR at 25491, unchanged in the final results. Because the ABI prime rate was no longer reported after 2004, for 2005-2010, we have used the “Bank Interest Rates on Euro Loans: Outstanding Amounts, Non-Financial Corporations, Loans With Original Maturity More Than Five Years” published by the Bank of Italy and provided by the GOI in its October 27, 2011, questionnaire response at Exhibits 3-7. We increased this rate by the mark-up and bank charges described above.

#### *Discount Rate Benchmarks*

Consistent with 19 CFR 351.524(d)(3)(i)(A), we have used, as our discount rate, the long-term interest rate calculated according to the methodology described above for the year in which the government agreed to provide the subsidy.

#### Analysis of Programs

##### *Programs Preliminarily Determined To Be Countervailable*

###### A. Industrial Development Grants Under Law 488/92

The Department countervailed this program in the previous administrative review. *See Pasta Prelim 14*, 76 FR at 48134, unchanged in the final results. No new information has been placed on the record of this review that would cause us to depart from this treatment. *See Live Swine from Canada; Final Results of Countervailing Duty Administrative Reviews*, 61 FR 52408, 52420 (October 7, 1996) (“{I}t is well-established that where the Department has determined that a program is (or is not) countervailable, it is the Department’s policy not to reexamine the

issue of that program's countervailability in subsequent reviews unless new information or evidence of changed circumstances is submitted which warrants reconsideration.").

Tomasello reported no new grants under this program during the POR. *See* Tomasello's October 27, 2011, questionnaire response at 11. However, we have previously treated the grants under this program as "non-recurring" and allocated the benefits over time. *See Pasta Prelim 14*, 76 FR at 48135, unchanged in the final results; and 19 CFR 351.524(b). Consequently, because the grants received by Tomasello under Law 488/92 in prior years exceeded 0.5 percent of its sales in the years in which the grants were approved, we allocated the benefits over time using the grant methodology described in 19 CFR 351.524(d). We divided the amounts allocated to the POR by Tomasello's total sales in the POR.

On this basis, we preliminarily determine the countervailable subsidy from the Law 488/92 industrial development grants to be 1.86 percent *ad valorem* for Tomasello. *See* Memorandum from Joseph Shuler, International Trade Analyst to the File, entitled "2010 Preliminary Results Calculation Memorandum for Molino e Pastificio Tomasello, S.p.A.," dated concurrently with this notice ("Tomasello Preliminary Calc Memo").

B. Measure 3.14 of the POR Sicilia 2000/2006

Measure 3.14 of the POR Sicilia 2000/2006 is a regional development program designed to encourage stable economic growth in southern Italy. *See* GOI's February 29, 2012, supplemental questionnaire response at 5. Measure 3.14 of the POR Sicilia 2000/2006 provides assistance in the form of grants to companies that undertake approved industrial research projects. Tomasello reported that it received no grants under this program during the POR. *See* Tomasello's October 27, 2011, questionnaire response at 10-11. However, Tomasello received

grants under Measure 3.14 of the POR Sicilia 2000/2006 from 2007 to 2009. *See Pasta 14 Final Results*, 77 FR at 7130.

As described above in the “Use of Facts Otherwise Available and Adverse Inferences” section, although given opportunities to do so, the GOI has not provided requested information concerning the specificity of this program. Therefore, we preliminarily determine as adverse facts available that grants received by Tomasello under Measure 3.14 of the POR Sicilia 2000/2006 are specific. We also determine preliminarily that these grants are a direct transfer of funds from the GOI bestowing a benefit in the amount of the grant. *See* section 771(5)(D)(i) of the Act and 19 CFR 351.504(a).

Recipients of grants under this program must file a separate application for each project they seek funding for and cannot expect funding on an ongoing basis. *See Pasta Prelim 14*, 76 FR at 48135, unchanged in the final results. Therefore, we are preliminarily treating these grants as “non-recurring.” *See* 19 CFR 351.524(b). Consequently, because the grants received by Tomasello under Measure 3.14 of the POR Sicilia 2000/2006 exceeded 0.5 percent of its sales in the years in which the grants were approved, we allocated the benefits over time using the grant methodology described in 19 CFR 351.524(d). We divided the amount allocated to the POR by Tomasello’s total sales in the POR.

On this basis, we preliminarily determine the countervailable subsidy from the Measure 3.14 of the POR Sicilia 2000/2006 grants to be 0.23 percent *ad valorem*. *See* Tomasello Preliminary Calc Memo.

#### C. European Social Fund

The Department countervailed this program in the previous administrative review. *See Pasta Prelim 14*, 76 FR at 48136, unchanged in the final results. Tomasello reported no new or additional assistance under this program for the POR. *See* Tomasello's October 27, 2011, questionnaire response at 14.

The Department normally considers the benefits from worker training programs to be recurring. *See* CFR 351.524(c)(1). However, consistent with the Department's determination in the countervailing duty investigation of wire rod from Italy that these grants relate to specific, individual projects, and consistent with the previous administrative review of certain pasta from Italy, we have treated these grants as non-recurring because each required separate government approval. *See Pasta Prelim 14*, 76 FR at 48136, unchanged in the final results; *see also Final Affirmative Countervailing Duty Determination: Certain Stainless Steel Wire Rod From Italy*, 63 FR 40474, 40487 (July 29, 1998).

Accordingly, we have followed the methodology described in 19 CFR 351.524(b) and, because the grants received by Tomasello under this program exceeded 0.5 percent of its sales in the year in which the grants were approved, we used the grant methodology described in 19 CFR 351.524(d) to allocate the benefit. We divided the amount allocated to the POR by Tomasello's total sales in the POR.

On this basis, we preliminarily determine the countervailable subsidy from the European Social Fund grants to be 0.11 percent *ad valorem* for Tomasello. *See* Tomasello Preliminary Calc Memo.

D. Article 14 of Law 46/1982 (*Fondo Innovazione Tecnologica*)

The Department countervailed this program in the previous administrative review. *See Pasta Prelim 14*, 76 FR at 48137-48138, unchanged in the final results. Tomasello reported no new loans or grants under this program for the POR. *See* Tomasello's October 27, 2011, questionnaire response at 12.

We have previously treated the grants under this program as "non-recurring," and allocated the benefits over time. *See Pasta 14 Final Results* and accompanying IDM at 17, where we previously found Tomasello's grants under this program to be non-recurring. *See also* 19 CFR 351.524(b). Consequently, because the grant received by Tomasello under Article 14 of Law 46/1982 previously excluded 0.5 percent of its sales in the year the grant was approved, we allocated the benefit over time using the grant methodology described in 19 CFR 351.524(d). We divided the amount allocated to the POR by Tomasello's total sales in the POR. On this basis, we preliminarily determine the countervailable subsidy from Law 46/1982 research grant to be 0.19 percent *ad valorem* for Tomasello. *See* Tomasello Preliminary Calc Memo.

With respect to the loan received by Tomasello under Article 14 of Law 46/1982, we calculated the countervailable benefit by computing the difference between the payments Tomasello made on the loan during the POR and the payments Tomasello would have made on a benchmark loan. *See* the "Benchmarks for Long-Term Loans and Discount Rates" section of this notice above. We divided the benefit received by Tomasello by its total sales in the POR. On this basis, we preliminarily determine the countervailable subsidy from Law 46/1982 research loan to be 0.04 percent *ad valorem* for Tomasello. *See* Tomasello Preliminary Calc Memo.

E. Article 23 of Legislative Decree 38/2000

The Department countervailed this loan program in the previous administrative review. *See Pasta Prelim 14*, 76 FR at 48138-48139, unchanged in the final results.

Based on the information submitted by Tomasello about its principal and interest payments during the POR, we calculated the countervailable benefit by computing the difference between the payments Tomasello made and the payments it would have made on a benchmark loan. *See* Tomasello's July 4, 2012, supplemental questionnaire response at Exhibit 1, 19 CFR 351.505(c)(2), and the "Benchmarks for Long-Term Loans and Discount Rates" section above. We divided the POR benefit by Tomasello's total sales in the POR.

On this basis, we preliminarily determine the countervailable subsidy from loans under Article 23 of Legislative Decree 38/2000 to be 0.06 percent *ad valorem* for Tomasello. *See* Tomasello Preliminary Calc Memo.

*Programs Preliminarily Determined to Not be Used*

We examined the following programs and preliminarily determine that Tomasello did not apply for or receive benefits under these programs during the POR:

- A. Industrial Development Loans Under Law 64/86
- B. Grant Received Pursuant to the Community Initiative Concerning the Preparation of Enterprises for the Single Market ("PRISMA")
- C. European Regional Development Fund ("ERDF") Programma Operativo Plurifondo ("P.O.P.") Grant
- D. European Regional Development Fund ("ERDF") Programma Operativo Multiregionale ("P.O.M.") Grant
- E. Certain Social Security Reductions and Exemptions – Sgravi (including Law 223/91,

Article 8, Paragraph 4 and Article 25, Paragraph 9; and Law 196/97)

- F. Law 236/93 Training Grants
- G. Law 1329/65 Interest Contributions (“Sabatini Law”) (Formerly Lump-Sum Interest Payment Under the Sabatini Law for Companies in Southern Italy)
- H. Development Grants Under Law 30 of 1984
- I. Law 908/55 Fondo di Rotazione Iniziative Economiche (Revolving Fund for Economic Initiatives) Loans
- J. Brescia Chamber of Commerce Training Grants
- K. Ministerial Decree 87/02
- L. Law 10/91 Grants to Fund Energy Conservation
- M. Export Restitution Payments
- N. Export Credits Under Law 227/77
- O. Capital Grants Under Law 675/77
- P. Retraining Grants Under Law 675/77
- Q. Interest Contributions on Bank Loans Under Law 675/77
- R. Preferential Financing for Export Promotion Under Law 394/81
- S. Urban Redevelopment Under Law 181
- T. Industrial Development Grants Under Law 183/76
- U. Interest Subsidies Under Law 598/94
- V. Duty-Free Import Rights
- W. Law 113/86 Training Grants
- X. European Agricultural Guidance and Guarantee Fund



- Y. Law 341/95 Interest Contributions on Debt Consolidation Loans (Formerly Debt Consolidation Law 341/95)
- Z. Interest Grants Financed by IRI Bonds
- AA. Article 44 of Law 448/01
- BB. Law 289/02
  - 1) Article 63 - Increase in Employment
- CC. Law 662/96 – Patti Territoriali
- DD. Law 662/96 – Contratto di Programma
- EE. Tax Credits Under Article 280 of law 296/2006
- FF. Interest Contributions Under Regional Law 34/1988
- GG. Law 317/91 Benefits for Innovative Investments
- HH. Industrial Development Grants Under Law 341/95
- II. Industrial Development Grants Under Law 64/86
- JJ. Interest Contributions Under Law 488/92
- KK. Law 289/02, Article 62, Investments in Disadvantaged Areas
- LL. Social Security Reductions and Exemptions—Sgravi
  - 1) Law 407/90
- III. *Previously Terminated Programs*
  - A. Regional Tax Exemptions Under IRAP
  - B. VAT Reductions Under Laws 64/86 and 675/55
  - C. Corporate Income Tax (“IRPEG”) Exemptions
  - D. Remission of Taxes on Export Credit Insurance Under Article 33 of Law 227/77

- E. Export Marketing Grants Under Law 304/90
- F. Tremonti Law 383/01
- G. Social Security Reductions and Exemptions - Sgravi
  - 1) Article 44 of Law 448/01
  - 2) Law 337/90
  - 3) Law 863/84
  - 4) Law 196/97

Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for the respondent, Tomasello.

For the period January 1, 2010, through December 31, 2010, we preliminarily find the net subsidy rates for the producers/exporters under review to be as follows:

<b>Producer/Exporter</b>	<b>Net Subsidy Rate</b>
Molino e Pastificio Tomasello S.p.A.	2.49%

Assessment Rates

If these preliminary results are adopted in our final results of this review, the Department will instruct CBP to assess countervailing duties on all shipments at the net subsidy rates listed above for all entries by Tomasello.

For all other companies that were not reviewed (except Barilla G. e R. F.lli S.p.A. and Gruppo Agricoltura Sana S.r.l., which are excluded from the order, and Pasta Lensi S.r.l., which was revoked from the order), the Department has directed CBP to assess countervailing duties on

all entries between January 1, 2010, and December 31, 2010, at the rates in effect at the time of entry.

The Department intends to issue appropriate assessment instructions directly to CBP 15 days after publication of the final results of this review.

#### Cash Deposit Instructions

The Department also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown above. For all non-reviewed firms (except Barilla Group S.p.A. and Gruppo Agricoltura Sana S.r.l., which are excluded from the order, and Pasta Lenzi S.r.l., which was revoked from the order), we will instruct CBP to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company. These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested. These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Disclosure and Public Comment

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of the public announcement of this notice.

Pursuant to 19 CFR 351.309(c)(ii), interested parties may submit written arguments in case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, limited to issues raised in case briefs, may be filed no later than five days after the date of filing the case briefs, in accordance with 19 CFR 351.309(d). Any case briefs and rebuttal briefs must be filed via the Department's electronic records system, IA ACCESS, in accordance with 19 CFR

351.303. Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument: 1) a statement of the issue, and 2) a brief summary of the argument with an electronic version included. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f).

Interested parties may request a hearing within 30 days after the date of publication of this notice, pursuant to 19 CFR 351.310(c).

The Department will publish a notice of the final results of this administrative review within 120 days from the publication of these preliminary results, in accordance with section 751(a)(3) of the Act.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

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Paul Piquado  
Assistant Secretary  
for Import Administration

July 24, 2012  
Date

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